

Message Text

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ACTION EB-07

INFO OCT-01 ARA-10 EUR-12 EA-09 ISO-00 AGRE-00 CIAE-00

INR-07 LAB-04 NSAE-00 SP-02 STR-04 TRSE-00 CIEP-02

FRB-01 OMB-01 L-03 H-02 SS-15 NSC-05 /085 W

-----200118Z 098306 /73

R 181700Z JAN 77

FM AMEMBASSY MADRID

TO SECSTATE WASHDC 8647

USDOC WASHDC

AMCONSUL BARCELONA

AMCONSUL BILBOA

AMCONSUL SEVILLA

AMEMBASSY ROME

AMEMBASSY BRASILIA

AMEMBASSY TAIPEI

UNCLAS MADRID 0410

E.O.11652: N/A

TAGS: ETRD, SP

SUBJECT: OFFICIAL GOS RESPONSE TO ITC RECOMMENDATION ON NON RUBBER
FOOTWEAR

REF: STATE 312226

1. MINISTRY OF COMMERCE OFFICIAL WEEKLY CARRIES EDITORIAL ON ITC
RECOMMENDATION ON NON RUBBER FOOTWEAR. EDITORILY ACCURATELY
DESCRIBES ACTION AND NOTES US PRESIDENT MUST MAKE "DELICATE"
DECISION TO AVOID DIFFICULTIES WITH CONGRESS.

2. ARTICLE REITERATES STANDARD SPANISH ARGUMENT SPANISH SHOES
CAUSE NO "SERIOUS DAMAGE" TO US INDUSTRY SINCE THEY ARE SMALL RUNS
OF NEW STYLES AS OPPOSED TO US LARGE SCALE PRODUCTION OF
"TRADITIONAL" SHOES AND SHOES REPRESENT 30 PERCENT OF SPANISH
EXPORTS TO US, THUS CONSTITUTING SPAIN BEST HOPE TO REDUCE ENORMOUS
DEFICIT IT INCURS IN TRADE WITH US (APPROX \$1.8 BILLION IN 1976)
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GOES ON TO SAY SPAIN HAS TWO REMEDIES FOR HUGE TRADE INBALANCE
FIRST INCREASE EXPORTS WHICH " IS NOT EASY GIVEN ATTITUDE
DEDUCED FROM THE ITC REPORT" AND SECOND, THE "LESS LIBERAL AND
GRACEFUL" REMEDY OF REDUCING IMPORTS FROM US, A DOUBTFUL PROPOSITION
GIVEN THAT 60 PERCENT ARE PRIMARY MATERIALS. THIS LEADS
TO EXAMINATION OF OF POSSIBILITY OF FINDING NEW SUPPLIERS
FOR THESE IMPORTS WITH BEST CURRENT OPPORTUNITIES AMONG SUPPLIERS

OF PRIMARY AGRICULTURAL MAERIALS.

3. EDITORIAL CLOSING WITH REASONING THAT IF IN AN ELECTION YEAR PRESIDENT FORD REFUSED TO RESTRICT SHOE IMPORTS. "IT WOULD NOT SEEM LOGICAL " FOR PRESIDENT CARTER TO DO SO (IMPOSE RESRRICTIONS AT THE BEGINNING OF HIS TERM. PARTING SHOT IS THAT ACCEPTANCE OF MAJORITY ITC RECOMMENDATION WOULD MEAN GREATER COSTS FOR SHOE EXPORTING COUNTRIES THAN REAL ADVANTAGES FOR AMERICAN INTERESTS.

4. COMMENT: EDITORIAL IS SIGNIFICANT IN THAT IT IS AN OFFICIAL GOS STATEMENT. SUGGESTION OF FINDING OTHER SUPPLIERS FOR NECESSARY IMPORTS OF PRIMARY MATERIALS, SPECIFICALLY AGRICULTURAL PRODUCTS, SEEMS TO BE SERIOUS PROPOSAL.(EMBASSY AGRICULTURAL ATTACHE IS REPORTING SEPAREAELT ON POSSIBILITIES FOR REDIRECTING AGRICULTURAL IMPORTS). GOS INTENTION IS TO PUT US ON NOTICE THAT IT SHOULD NOT TAKE IMPORTANT SPANISH MARKET FOR GRANTED. PERHAPS CONINCIDENTLY, DURING THE LAST FEW YEARS THE US SHARE OF THE SPANISH MARKET HAS DECLINED WHILE THE US HAS FALLEN TO THIRD PLACE AMONG SPAIN'S PRINCIPAL CUSTOMERS.STABLER

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Sent Date: 18-Jan-1977 12:00:00 am
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Litigation History:
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